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22 March 1977

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MEMORANDUM FOR: [REDACTED]
Director, Office of Performance, Evaluation
and Improvement

FROM: [REDACTED]
Director, Office of Policy and Planning

SUBJECT: PRM/NSC-11

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1. In connection with the work of your group which is dealing with the Section 2 tasking of PRM/NSC-11, you may find the attachment helpful in your initial drafting.

2. Aimed at the "historical retrospect" which your group has determined to be a part of its task, this attachment briefly traces the evolution of the Intelligence Community from the World War II period. It notes the milestone events which have contributed to the growth of the Community, and underscores the institutionalization of the Community itself. The final paragraph asserts that technology and the growing sophistication of the world community of nations have been the leading factors in the growth of today's Intelligence Community.

3. I hope this will be helpful to you.

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Attachment
As stated

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DCI/IC/OPP/PPD, [redacted] (22 Mar 77)

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THE INTELLIGENCE COMMUNITY:
AN HISTORICAL RETROSPECT

An Intelligence Community has existed in this country since before World War II. The Community that exists today, however, bears almost no resemblance to the earlier one. Before the Japanese surprise attack on Pearl Harbor focused American attention on the need for a unified national intelligence effort, the Community consisted of the War Department's military intelligence, the Navy Department's naval intelligence, and the State Department's political intelligence. There was virtually no interface among these departmental elements, yet officials in Government did indeed refer to them collectively as the "Intelligence Community."

The concept of a coordinated intelligence effort at the national level was effectively born during World War II with the formation of the Office of Strategic Services (OSS), the forerunner to today's Central Intelligence Agency (CIA). Although the OSS was conceived as a wartime expedient, it may be viewed today as the earliest nucleus around which a continuously evolving Intelligence Community has since grown. Shortly after the end of World War II, the Central Intelligence Group (CIG) was established as a coordinating body to minimize duplication among departmental intelligence components. The CIG was an extension of the Departments of War, Navy, and State and was manned and funded by them. In the following year, 1947, the CIA was created¹ in recognition of the need for central direction and coordination of the U.S. foreign intelligence effort. The same legislation created the National Security Council and established CIA under it.

Two years later, the Central Intelligence Act of 1949 gave the CIA the authority and resources necessary to carry out its mission. The Community nucleus was growing. CIA was growing in tandem. By 1952 CIA had evolved into doing

¹ The National Security Act of 1947.

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something quite different than the original mission of the CIG--which was to coordinate departmental intelligence--and was a competing intelligence production center involved in both technical and clandestine collection, and covert action.²

A Presidential Executive Order created the National Security Agency (NSA) in 1952. It named the Secretary of Defense national SIGINT manager, with responsibility as Executive Agent for the largest single U.S. effort to collect and process intelligence data. NSA remains the largest intelligence agency today and was and is, perforce, a substantial addition to a growing Community of intelligence organizations.

The Department of Defense Reorganization Act of 1958 provided authority for the creation of separate agencies within DoD. Three years later, in 1961, Secretary McNamara created the Defense Intelligence Agency, responsible through the Joint Chiefs of Staff to the Secretary of Defense. Since that time the three largest³ constituent members of the Community remain NSA, CIA, and DIA, although the military services have retained their own separate intelligence organizations. Intelligence elements of State, Treasury, the FBI, and ERDA have comprised the balance of the Community, the latter having succeeded a small intelligence component of the former Atomic Energy Commission.

A significant step in the evolution of the Community occurred earlier in 1961 when President Eisenhower, by Executive Order, created both the U.S. Intelligence Board (USIB) and the National Photographic Interpretation Center (NPIC). The USIB merged the former U.S. Communications Intelligence Board and the Intelligence Advisory Group into one advisory body. This group was made up of the principal members of the Community's component organizations and chaired by the DCI who was, additionally, the beneficiary of USIB's deliberations and advice in his role as the President's senior

² "The notion that the CIA could serve as a coordinating body for departmental intelligence activities and that the DCI could orchestrate the process did not take into account the inherent institutional obstacles posed by the Departments." Book IV, page 91, Final Report, Senate Select Committee on Intelligence, 23 April 76.

³ NSA, CIA, and DIA are largest in terms of manpower. The most dollar-intense member of the Community is the National Reconnaissance Office, established by joint DoD/CIA agreement on 11 August 1965.

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intelligence advisor. This refinement of the USIB concept-- that it be chaired by the DCI--was directed by President Kennedy on 16 January 1962 by memorandum to DCI McCone. This instruction also directed DCI McCone to delegate the day-to-day operations of CIA to his deputy, who would also become the CIA representative to the USIB. Another amalgamation of Community resources occurred when it was determined that NPIC would be staffed jointly by photo-interpreters from CIA and DIA.

As each step was taken toward a Community which would more fully blend all departmental intelligence groups, the DCI became aware of a growing need for a supporting staff which would focus exclusively on Community concerns. In 1963, Director McCone created the National Intelligence Programs Evaluation (NIPE) Staff for this purpose. This small group of 12 to 15 professional retained its identity for nearly 10 years until it was superseded by the more extensive Intelligence Community (IC) Staff.

On 4 March 1964, the NSC issued its first formal intelligence directive, NSCID No. 1, which assigned the DCI (then Admiral Raborn) the primary responsibility for guiding the total U.S. intelligence effort. Three years later, under the leadership of DCI Richard Helms, the Intelligence Community could be said to have reached maturity. It had been 21 years since the old CIG had been formed immediately following World War II.

Mr. Helms was still DCI on 1 Nov 1971 when President Nixon assigned him the responsibility for planning, reviewing, coordinating and evaluating all intelligence programs and activities, and for the production of national intelligence. Reflecting these broad responsibilities, Director Helms created the Intelligence Community Staff on 1 March 1972 to deal with the Community aspects of his expanded mission. When Dr. Schlesinger became DCI in early 1973, he reorganized the IC Staff to make it more representative of the entire Community, it having previously been manned by a preponderance of CIA officers. Emphasis on balanced staffing continues today.

The final chapter leading to the shape of the current Community might be said to have begun on 22 March 1974 when President Nixon directed DCI William Colby to submit an annual consolidated intelligence program budget, including tactical intelligence, to OMB. Thus, the extent to which the President would hold the DCI responsible for Community resource allocation

was articulated. The DCI's modern dilemma was therein clearly suggested: the DCI was to be accountable to the President and to the Congress for management of a Community of intelligence organizations over which he lacked the required corporate management authorities.

Prior to the current effort, the last attempt to deal with the DCI's Community responsibilities was Executive Order 11905, signed by President Ford on 18 February 1976. The purpose of the order was to establish policies to improve the quality of intelligence needed for national security, to establish the desired oversight which would assure that management of intelligence activities complied with the law, and perhaps most importantly to clarify the authority and responsibilities of intelligence departments and agencies. The order specifically named the departments and agencies which would comprise the Intelligence Community. Further, it named the DCI as chairman of the Committee on Foreign Intelligence, the group responsible for controlling budget preparation and resource allocation for the National Foreign Intelligence Program. It named the DCI as executive head of both the CIA and the IC Staff, and officially established as manager of the latter a Deputy to the DCI for the Intelligence Community.

Although the 1976 order abolished the USIB, such a body was reconstituted by the DCI to function as a Community mechanism under the name of the National Foreign Intelligence Board and under the chairmanship of the DCI.

These few paragraphs have traced the evolution of the Intelligence Community from its pre-World War II beginnings to the way in which it is configured today. Emphasis has been placed on the concept of a Community per se, showing its growth over more than three decades into an institutionalized entity. What has not been mentioned are the factors which have contributed most to the Community as it exists and functions today. These are noted as the final aspect of this historical retrospect.

Just as technological development has had enormous impact on the world environment in the modern era, its impact upon the intelligence world has been equally profound. The exploitation of technology for intelligence purposes has placed ever-increasing emphasis on intelligence at the national level. Finally, the world community of nations as it exists today--closely knit by technological advances which have compressed time and distance--has brought about greater interaction among

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nations. This has been accompanied by greater sustained emphasis on foreign policy and defense policy in this country than ever before in peacetime. Intelligence is the servant of this condition. Continued improvement is a vital part of the ability of this nation to survive and to maintain its interests.

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